

CHAPTER 8 - SPECIAL PROGRAMS/PROCESSES

A. FOREIGN MILITARY SALES

1. FMS FREEZES

- a. Receive email request from DRMS-FMS for availability and freeze action.
- b. Verify current **property** status in DAISY.
- c. Visually inspect property to ensure that condition code and quantity agree with the current system inventory records. Note **property availability**, changes of condition or quantity **and notify DRMS-FMS**.
- d. **Make DAISY entries to freeze property for FMS. Use freeze code 9 and use case designator as customer ID. Property will remain frozen while an FMS case is prepared and processed for approval through Defense Security Cooperation Agency, Departments of State and Commerce, and the US Congress. DRMS-FMS will notify DRMO by email when FMS case is approved and implemented.**

NOTE: DRMOs are NOT authorized to release FMS freeze on property without approval from DRMS-FMS.

- e. **Establish FMS case file, labeled with DRMS-FMS point of contact, country requesting and the case designator. Label as: 630.50 Foreign Military Sales Case Files. Case files relating to the authorized sale of excess property to foreign governments through the Foreign Military Sales Program. (Destroy 30 years after all aspects of the sale are complete.)**
- f. **Notify DRMS-FMS if property is available / acceptable / unacceptable by return email, within 2 work days from date / time the request is received. Retain a copy of email in the FMS case file.**
- g. **Prepare Property Relocation Form (DRMS Form 152) and forward to PMB for relocation of property to a separate FMS storage area. Secure the property and plainly tag it for FMS with the DRMS-FMS point of contact name and telephone number.**
- h. **Update DAISY location information.**
- i. **DRMS-FMS will request DRMO to remove FMS freeze once FMS case is implemented. DRMS-FMS will then either enter a MILSTRIP requisition for the property via the DRMS web site or request that DRMO enter requisition. If DRMO is to enter the requisition, DRMS-FMS will provide requisition number, supplementary address, and signal code information. In this case DRMO will also prepare a 1348-1A for the source documentation and FMS case files.**
- j. **Verify that property is in the FMS storage area. If not in FMS storage area, follow up with PMB and notify DRMS-FMS.**

2. FMS TRANSPORTATION

Because, in general, FMS customers are responsible for all transportation costs, most FMS shipments are sent out on a collect payment basis. DRMS-FMS will identify exceptions to this rule as they arise. Sensitive and some other FMS shipments may be made via the Defense Transportation System (DTS). For these shipments DRMS-FMS will provide separate instructions and funds citations. In case of doubt, contact DRMS-FMS for instructions. Transportation arrangements may be made by the DRMO or by the supporting Transportation Office.

- a. **Send small items on collect basis via FedEx or other parcel service to designated freight Forwarder, unless otherwise directed by DRMS-FMS.**
- b. **Send less than truck load shipments on collect basis via common carrier to designated freight Forwarder, unless otherwise directed by DRMS-FMS.**
- c. **For larger than truck load shipments fax Notice of Availability (NOA), DD Form 1348-5, to**

freight forwarder or other designated address, unless otherwise directed by DRMS-FMS. NOA recipient will provide shipping instructions or advise of pick-up date. **NOTE:** If shipping instructions are not received within 15 days after NOA is faxed, follow up with freight forwarder and notify DRMS-FMS.

- d. For sensitive (DTC 8) property and HAZMAT property DRMO must ensure that property is released in accordance with all applicable regulatory requirements. Preferred option is to let the supporting Transportation Office accomplish Notice of Availability and property shipment processes.
- e. Forward appropriate copies of DD Form 1348-1A and the 1348-5 if appropriate, to PMB for arrangement of shipping by Transportation Office. PMB must ensure a copy of the DD Form 1348-1A and the 1348-5 if appropriate, is included with the property when it leaves the DRMO for inclusion with the shipment. The "Ship To" block on the DD Form 1348-1A will normally provide shipping instructions, unless otherwise provided by DRMS-FMS via email.
- f. Receive copy of the DD Form 1348-1A signed and dated by the transportation office.
- g. Request Transportation Office copies of bills of lading and any other release documentation once property is shipped. Follow up if necessary.
- h. Receive copy of completed shipping documents (DD Form 1348-1A) plus a copy of the Bill of Lading from Transportation Office. Distribute copies as follows:
 - One copy to DRMS-FMS (fax to DSN 932-4213).
 - One copy to property accounting.
 - One copy to FMS case file.

i. Update DAISY. Calculate FMS proceeds as follows:

FMS Sales Cases: (NATO, Australia, New Zealand, South Korea)

Extended Acquisition Cost x Condition Code percentage = Present Value

Present Value x 3.5% = PC&H charge

Present Value + PC&H charge = DAISY Proceeds

FMS Grant cases: (all others)

Extended Acquisition Cost x Condition Code percentage = Present Value

Present Value x 3.5% = PC&H charge

PC&H charge = DAISY Proceeds

<u>Condition Code</u>	<u>Percentage</u>
A1	50%
A4	40%
B1,B4, C1, C4, D1, D4	30%
D7, E7, F7, G7	20%
H7 10%	
GX, HX	5%

On rare occasions, property may be transferred on a no-fee basis. DRMS-FMS will provide appropriate instructions on a case-by-case basis.

Once DAISY issue transaction processes correctly, consider the FMS transaction completed.

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B. ISSUES OF EXCESS PERSONAL PROPERTY TO THE 12th REGIONAL EQUIPMENT CENTER (REC).

The REC is a program specific for Cambria for the reutilization of heavy equipment/machinery.

Distribution Branch/Section:

1. Determine that heavy construction equipment/machinery is available for issue (see Supplement 4 for equipment requirement list).
2. Contact Regional Equipment Center (REC) representatives for possible consideration of available equipment. RECs are not authorized issue of items requiring DEMIL; property requiring special handling or M151 series jeeps. The REC is authorized to screen and obtain accessorial type equipment, such lubricants, parts, antifreeze, and tools to support heavy equipment maintenance. Spare parts will be indicated with a "P" in the first position of the serial number in the requisition number.
3. Hold property pending inspection if requested by REC.
4. If requested, prepare a SF 97, for issue of a vehicle made out to the REC.
5. Verify information on the requisition document, ensure authorized REC representative(s) sign/date requisition and obliterate the DRMS transportation fund cite. The RECs will pick up property or arrange shipping.
6. Process requisition according to Chapter 4, Section 1, Paragraph C.

C. ISSUES OF EXCESS PERSONAL PROPERTY TO THE LAW ENFORCEMENT SUPPORT OFFICES (LESO)

Distribution Branch/Section:

1. Follow screening procedures in Chapter 2. **NOTE:** LESO screeners are limited to one primary and one alternate screener per Drug Law Enforcement Agency (DLEA).
2. LESOs may requisition property in any FSG but are not authorized issue of M151 series jeeps. Hazardous property may be issued if Central/Satellite DRMO receives approval from DRMS-N prior to release of material.
3. LESO screeners will fill out DRMS Form 103 and fax to applicable LESO State Coordinator for approval and preparation of requisition documents. Usage of DRMO fax machine is authorized.
4. Receive requisition document (DD Form 1348-1A) by MILSTRIP, mail or fax. **NOTE:** Requisitions to fill local DLEA excess property requirements must contain an authorized LESO signature. (The signature of the state coordinator will be on the DRMS Form 103 when faxed to the LESO office and therefore is not required on the DD Form 1348-1A.)
5. Verify information on the DD Form 1348-1A is accurate. If requisition does not contain appropriate LESO approval, contact the LESO POC to ensure validity of the issue.
6. With the exception of Gas Masks (Chromium Filter) and Night Vision Equipment (Radioactive Components), any item coded as DEMIL required will be clearly marked on the requisition document with the annotation that the item will be reported to the LESO for return to disposal when no longer required by the using DLEA.
7. If requested, prepare a SF 97 for issue of a vehicle made out to the using DLEA.
8. Obtain signature and date of individual the property is released to. The LESO will provide a letter to your DRMO prior to pick-up indicating individual authorized to screen/remove property.
9. Process the requisition according to Chapter 4, Section 1, Paragraph C.
10. Process the DD Form 1348-1A according to Chapter 4, Section 1, Paragraph C. LESO customers are responsible for removing property or making arrangements for shipment.
11. Provide a copy of the DD Form 1348-1A and GBL information to the applicable LESO when shipment is complete.

D. ISSUING REIMBURSABLE PROPERTY AT THE DRMO

1. Receive requisition/transfer order for property (DTID) (see DoD 4000.25-M-1, Chapters 2 and 5).

- MILSTRIP (DD Form 1348-1A) (see DoD 4000.25-M-1, Chapter 4).
 - GSA approved SF 122 (see Chapter 6).
2. Match requisition/transfer order to property (DTID).
 3. Verify property is reimbursable by checking for appropriation citation to be credited in the DTID.
 4. When the property is verified reimbursable, determine the amount to be reimbursed by one of the following methods:
 - Negotiation between the requisitioner and the turn-in activity (preferred).
 - The Central/Satellite DRMO will advise the two parties to meet, settle on agreed price, and arrange for payment. If there is no agreement and the turn-in activity agrees, price may be developed as shown in fair market value below.
 - If a price is agreed upon, the turn-in activity will dispatch a letter to the Central/Satellite DRMO stating that an agreement had been made with the requisitioner and that the property should be released to the customer. Preferably the reimbursement will be made between the requisitioner and the turn-in activity without the intervention of the DRMO. Annotate the issue document that reimbursement was already accomplished and attach the letter from the generator to the issue document. However, if the turn-in activity desires the Central/Satellite DRMO to handle the funds, see guidance in Chapter 4.
 - Fair Market Value. If negotiations fail, obtain the following information: The original cost price of the item, a good NSN (if available), or an FSC with a good description, or if no FSC can be determined, obtain a comprehensive description. Provide the above information to the Distribution Branch of the Central/Satellite DRMO, to determine the sales history of the actual item or a like item and to obtain a fair market value.
 5. Process requisition/transfer order.

E. WITHDRAWAL FROM SALES FOR REUTILIZATION PROCESSING

1. Receive DD Form 1348-1A for ICP or NMCS requirement. All other requests require full justification (see DoD 4160.21-M, Chapter 7, Paragraph D).
2. Determine status and type of sale of the item within the sales finalization cycle from interrogation of the system and process as follows:
 - Check approval level in the above reference.
 - Requests from Inventory Control Points (ICP) and units with Not Mission Capable Supply (NMCS) requests received after an Invitation For Bid (IFB) number has been assigned to an item, should be forwarded to DRMS-N and DRMSI as applicable for further review.
 - ICP and NMCS requests will consist of DD Form 1348-1A, a full written justification, a completed DRMS Form 73, and a copy of a worldwide interrogation showing the non-availability of the item needed.
 - If an item has rolled to the Merchandising Cycle prior to an IFB number being assigned, DRMS will issue the item. However, if it is a Commercial Venture item, DRMOs must request approval or disapproval from their CV representative.
 - Note the sales referral/IFB and item numbers on a sheet of paper.
 - Contact the sales function or DRMS-N/DRMS-I and inform them of the ICP/NMCS or emergency request.
 - Provide the sales referral/IFB and item numbers along with other information they need to approve/disapprove the request for withdrawal.
 - Prepare a DRMS Form 73 if requested (see Supplement 4 for a sample DRMS Form 73).
 - Note on the sheet of paper the name of person contacted, the date and other pertinent information needed for future tracking.
 - Attach sheet of paper to the DD Form 1348-1A.
 - File DD Form 1348-1A in sales withdrawal suspense file while awaiting approval/disapproval.
 - Follow up daily or as needed until approval/disapproval is received.

3. Receive notification of disapproval and process as follows:

- Pull DD Form 1348-1A from the sales withdrawal suspense file.
- Phone customer and advise of non-availability of property.
- Dispose of the DD form 1348-1A and related papers.

4. Receive notification of approval and process as follows:

- Pull the DD Form 1348-1A from the sales withdrawal suspense file.
- Process according to Chapter 4 or 7.

F. NOT MISSION CAPABLE FOR SUPPLY (NMCS) REQUISITION PROCESSING

1. Receive NMCS requisition inquiry from DRMS-N/DRMS-I.

2. Prepare an original DRMS Form 103 (see Supplement 4 for a sample DRMS Form 103). Minimum information required is NSN, DTID No., quantity, Federal condition code and DEMIL Code.

3. Obtain display location and record on DRMS Form 103.

4. Inspect property to determine quantity available and verify Federal condition code. Record findings on DRMS Form 103.

5. Notify DRMS-N/DRMS-I of findings recorded on DRMS Form 103 within the following time frames:

- a. One hour by telephone when within CONUS.
- b. Four hours by priority message when outside CONUS.

6. Retain DRMS Form 103 in Distribution Branch and suspend further action of the NMCS property pending receipt of NMCS Material Release Order (MRO) information from DRMS-N/DRMS-I.

7. Receive notification that property is unacceptable or receive requisition data by telephone or message from DRMS-N/DRMS-I and process as follows:

- a. Retrieve DRMS Form 103.
- b. Record the following data on DRMS Form 103.
 - The MRO data as needed for DD Form 1348-1A, or other authorized form.
 - The "in the clear" Ship To address.

8. Prepare NMCS MRO on DD Form 1348-1A in sufficient quantities for issue, packing and shipping actions of the NMCS shipment.

9. Process as follows:

- a. Mail one copy to the transferee stamped "Advance Notice Copy".
- b. File one copy in the shipping suspense file after stamping "Advance Copy Mailed" and annotating the date mailed. Attach the DRMS Form 103 to this copy.
- c. Forward remaining copies of MRO to the PMB for issue, packing and shipping within time frames (see Supplement 4 for UMMIPS priority time frames).

10. Receive copy of MRO from the PMB upon release to PCH&T.

11. Receive verbal NMCS shipment confirmation data from the TO as follows:

- a. TCN or GBL number.
- b. Mode of shipment.
- c. Date of shipment.

NOTE: If the shipment confirmation data is not received from the TO within the specified time frame, contact the TO personally and then contact DRMS NMCS representative with the results.

- 12. Input shipment confirmation data.
- 13. Provide the following to the DRMS NMCS representative verbally no later than 3 working days (CONUS Central/Satellite DRMOs) or 5 working days (non-CONUS) from date of receipt of MRO data:
 - a. NSN.
 - b. Quantity shipped.
 - c. TCN or GBL.
 - d. MRO document number.
 - e. Mode of shipment.
 - f. Date of shipment.
- 14. Re-file in shipping suspense file.
- 15. Receive a copy of the completed shipping document from TO.
- 16. Pull shipping suspense copy and attach to matching MRO.
- 17. File MRO and attached DRMS Form 103.

G. ISSUE OF HMMWVS.

- 1. Reutilization. Excess HMMWVS may be issued to DoD activities and those activities that have DoD issue status, with the exception of the 12th Regional Equipment Center.
- 2. Transfer. Excess HMMWVS may be transferred to non-DoD Federal Civil Agencies. The following statement must be included on the SF122 (GSA responsibility).

“Since the vehicle does not comply with the Federal Motor Vehicle Safety Standards and is designed for use under conditions unique to the Department of Defense, extra operator competence and caution should be exercised in the operation and use of this vehicle outside the design specifications. In accepting transfer, the (specify the agency) warrants that it will provide necessary operator training and hold DoD and the GSA harmless against all third parties in liability suits involving the operation of HMMWVS in its custody. When the vehicle is no longer required, it will be returned to the nearest Central/Satellite DRMO for final disposition.”
- 3. Donation. Surplus HMMWVS may be issued to authorized donees. The same statement used for non-DoD Federal Civil Agencies must be included on the SF123 (see paragraph G.2 above).